

BILL ANALYSIS

Senate Research Center

H.B. 1757
By: Gutierrez (Lucio)
Business & Commerce
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Engrossed

DIGEST AND PURPOSE

The law currently gives cotton ginning employers the choice to pay a computed variable rate or a flat rate of 5.4%, but the employer must choose which to pay in advance. Cotton ginning employees are given this option because they often employ people seasonally. H.B. 1757 extends the special tax rate option to fruit, vegetable, and grain packing sheds that perform the same general functions as cotton gins, but on crops other than cotton.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 204.007, Labor Code, as follows:

Sec. 204.007. New heading: SPECIAL RATE; CERTAIN EMPLOYERS ENGAGED IN AGRICULTURE. (a) Provides that this section applies to an employer identified by the commission as classified in the manual as: Number 115114, crop preparation services for market, or Number 115111, cotton ginning.

(b) Authorizes an employer subject to this section to elect to pay a contribution at a total fixed rate of five and four-tenths percent instead of paying a contribution computed on the general tax rate applicable to that employer, with the deficit tax rate and replenishment tax rate or any other tax rate applicable to that employer under this subtitle.

SECTION 2. Effective date: September 1, 2001.